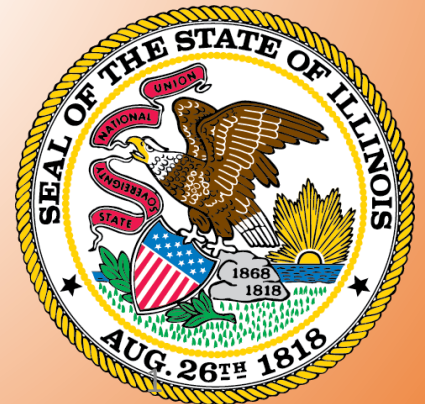


Illinois Department of Revenue 2020 Local Government Workshop



Disclaimer: This PowerPoint presentation is provided for general informational purposes only. The information contained in this presentation should not be construed as legal advice from the Illinois Department of Revenue or the presenter for any purpose, including but not limited to the Taxpayers' Bill of Rights, nor is it intended to be a substitute for legal counsel on any subject matter. IDOR advises that audience members pursue appropriate legal or other professional advice when seeking guidance, based upon their particular facts and circumstances.

SALES TAX DISBURSEMENTS

- Retailers' Occupation Tax
- Service Occupation Tax
- Use Tax
- Service Use Tax
- Home Rule Sales Tax
- Non-Home Rule Sales Tax
- Business District Development and Redevelopment Tax
- County and Municipal Motor Fuel Taxes
- County and Municipal Cannabis Taxes
- County and Municipal Automobile Renting Taxes
- County Flood Prevention Tax
- County Public Safety, Public Facilities, Mental Health, Substance Abuse, or Transportation Tax
- Metro-East Park and Recreation District Tax
- County School Facility and Resources Tax
- Regional Transportation Authority Tax
- Metro-East Transit District Tax
- Along With Many Others

SERVICE OCCUPATION TAX

- A tax imposed on persons engaged in the business of making sales of service, based on tangible personal property transferred incident to sales of service.
- Tax is paid to their supplier on the cost price of the tangible personal property transferred in the sale of service.
- De minimis test - A serviceman is considered a "de minimis" serviceman if his or her aggregate annual cost price of tangible personal property transferred incident to service is less than 35% of the aggregate annual total gross receipts from all sales of service (or less than 75% in the case of servicemen transferring prescription drugs or engaged in graphic arts production).

ALLOCATION OF STATE SALES TAX COLLECTIONS

- General Merchandise:
 - State Tax Rate is 6.25%
 - 5.00% State Equivalent to 80% of tax collections
 - 1.00% Local Equivalent to 16% of tax collections
 - 0.25% County Equivalent to 4% of tax collections
- Qualifying Food, Drug, and Medical Appliances:
 - State Tax Rate is 1.00%
 - 1.00% Local Equivalent to 100% of tax collections

SALES TAX ALLOCATION EXAMPLE

Selling Price	\$1,000.00	<u>Allocation Breakdown</u>	
+ 6.25% Tax	<u>\$62.50</u>	State	\$49.12 (80%)
	\$1,062.50	Local	\$9.83 (16%)
		County	<u>\$2.46 (4%)</u>
Total Tax Due	\$62.50		\$61.41
-1.75% Discount	<u>\$1.09</u>		
Total Remitted	\$61.41		

SALES TAX COLLECTION CYCLE

- 4 Month Cycle
- Example: Item purchased January 16th
 - January Liability Month
 - February Collection Month
 - March Processing Month
 - April Disbursement Month
- ST-1 Sales Tax Return is due the 20th of the collection month, or the next business day.
- When ordering an allocation remittance report in MyLocalTax, the Allocation Period you request is the Collection Month. If you want to see sales tax data for January 2020 sales, order the report for February 2020.

DISTRIBUTIONS OF 1% MUNICIPAL, 1% COUNTY & 0.25% COUNTYWIDE TAXES

(Fiscal Year July 1 through June 30)

	Municipal	County	County-Wide
(\$Millions)	(MT 1.00%)	(CT 1.00%)	(CST 0.25%)
FY-11	1,501.2	46.3	204.0
FY-12	1,574.8	48.9	213.0
FY-13	1,604.9	48.1	214.2
FY-14	1,663.7	51.1	222.5
FY-15	1,720.1	53.4	225.9
FY-16	1,753.8	49.9	225.3
FY-17	1,758.3	49.7	226.5
FY-18	1,796.5	52.1	231.2
FY-19	1,833.6	56.2	236.4
FY-20	1,860.2	50.4	233.9

ONLINE SALES

- Currently, for online sales, taxes are based on the origin, NOT the destination.
 - Illinois purchases that are shipped out of a distribution center within Illinois will be taxed at the tax rate of the distribution center's location. This sale will generate MT for the local government, as well as any locally-imposed taxes.
 - Illinois purchases that are shipped from outside Illinois will be taxed as use tax, and revenue from these sales will be distributed based on population.
 - An out-of-state purchase that ships from an Illinois distribution center will be taxed based on the laws of the purchaser's state. This sale will generate no tax revenue for local governments within Illinois.

ONLINE SALES

- Beginning January 1, 2021, there is one change to the previous slide.
 - Items that ship from outside Illinois will be taxed based on the destination of the package. These sales will generate MT and any locally-imposed taxes for the destination.
 - Illinois purchases shipped from within Illinois will still be taxed based on the origin of the package.
 - Purchases from outside Illinois shipped from an Illinois location will still be taxed based on the tax laws of the purchaser's state.

SPECIAL EVENTS

- Examples of special events are fairs, festivals, flea markets, craft shows, or other similar events.
- All retailers who make sales in Illinois, whether they are Illinois taxpayers or not, must collect and pay tax.
- Special events participants do not have to separately register as long as the tax is reported and paid to the Special Events Coordinator with IDOR.
 - Out-of-state vendors may participate in Illinois events provided they remit Illinois sales tax to IDOR by completing Form IDOR-6-SETR, Special Event Tax Collection Report and Payment Coupon.

SPECIAL EVENTS

- Any person who promotes, organizes, or provides retail selling space for vendors to sell items is required to file a report with IDOR. The report must include the following information:
 - name of vendor's business,
 - name of person or persons engaged in the vendor's business
 - permanent address of business
 - Illinois Account ID number of business
 - date and location of event

SPECIAL EVENTS

- Report is sent to Special Events Unit at:

Special Events Unit

Illinois Department of Revenue

PO Box 19035

Springfield, IL 62794-9035

(847) 294-4475

rev.specialevents@Illinois.gov

COVID-19 SALES TAX IMPACT

- Tax revenue generated by March sales was distributed in June.
- The quarantine was in place for half of March, so you won't see the full impact of the COVID shutdown until the July distribution.
- Since businesses are beginning to reopen in some capacity, the July and August distributions will be impacted the most.
- Lower gas prices mean reduced sales tax generated on fuel sales.
- Qualifying bars and restaurants were granted a payment extension. IDOR created the Estimated Allocations report, which is available upon request.
- This report will provide additional allocations that you should receive based on tax returns filed by qualifying businesses.

LOCALLY IMPOSED TAXES

Regional Transportation Authority (RTA)

- Tax is imposed in Cook County and the collar counties - DuPage, Kane, Lake, McHenry, and Will Counties.
- Administrative Fee: 2%
- Applicable Cook County tax rates:

General Merchandise	1.00%
Titled or Registered Items	1.00%
Qualifying Food & Drug	1.25%
- Applicable collar county tax rates:

General Merchandise	0.75%
Titled or Registered Items	0.75%
Qualifying Food & Drug	0.75%

LOCALLY IMPOSED TAXES

Metro-East Transit District (MED)

- Tax imposed in certain townships in Madison and St. Clair Counties
- Administrative Fee: 2%
- Applicable Madison County tax rates:

General Merchandise	0.25%
Titled or Registered Items	0.25%
Qualifying Food & Drug	0.25%
- Applicable St. Clair County tax rates:

General Merchandise	0.75%
Qualifying Food & Drug	0.75%
Titled or Registered Items	0.25%*

*Plus an additional District fee of 0.50% or \$20, whichever is less.

LOCALLY IMPOSED TAXES

- Taxes imposed at the county or municipal level are not imposed on:
 - Items that are titled or registered with an Illinois state agency, and
 - Qualifying food, drug, and medical appliances.
- Rates are imposed in increments of 0.25%.
- IDOR will notify impacted retailers with an informational bulletin via MyTax message.
- MyLocalTax users will also receive a copy of the bulletin via message, so you can share it with retailers that contact your local government directly.

LOCALLY IMPOSED TAXES

County School Facility Occupation Tax (CSFT)

- Tax is used for school facility purposes, i.e. development, construction, reconstruction, rehabilitation, improvement, etc. of school facilities or the payment of bonds or other obligations. 55 ILCS 5/5-1006.7
- Tax is imposed after voter passage of a county-wide referendum.
- The maximum rate is 1.00%.
- Certified election results (ballot question and abstract of votes) must be sent to our office by:
 - May 1 to become effective July 1 of the same year, or
 - October 1 to become effective January 1 of the following year.
- Administrative Fee: 2%

LOCALLY IMPOSED TAXES

Special County Retailers' Occupation Tax for Public Safety, Public Facilities, Mental Health, Substance Abuse, or Transportation(CTPS)

- The revenue generated is to be used exclusively for public safety, public facilities, mental health, substance abuse, or transportation purposes in that county. 55 ILCS 5/5-1006.5
- Tax is imposed after voter passage of a county-wide referendum.
- There is no maximum rate.
- A certified ordinance imposing the tax and certified election results must be sent to our office by:
 - May 1 to become effective July 1 of the same year, or
 - October 1 to become effective January 1 of the following year.
- Administrative Fee: 1.5%

LOCALLY IMPOSED TAXES

Home Rule Sales Tax (HMR)

- A home rule unit is:
 - a county that has a chief executive officer elected by the electors of the county or
 - a municipality that has a population of 25,001 or more.
- Voter approval is not required.
- There is no maximum rate.
- A certified ordinance imposing the tax must be sent to our office by:
 - April 1 to become effective July 1 of the same year, or
 - October 1 to become effective January 1 of the following year.
- Administrative Fee: 2%

LOCALLY IMPOSED TAXES

Non-Home Rule Sales Tax (NHMR)

- Non-home rule units have a population of 25,000 and under.
- Tax is imposed by ordinance after voter passage of a referendum.
- Maximum rate of 1.00%.
- A certified ordinance imposing the tax and certified election results must be sent to our office by:
 - May 1 to become effective July 1 of the same year, or
 - October 1 to become effective January 1 of the following year.
- Administrative Fee: 1.5%

LOCALLY IMPOSED TAXES

Business District Development and Redevelopment Tax (BDST)

- The tax is designed to fund the development or redevelopment of designated areas within a municipality and can be imposed if the area
 - Is contiguous, and
 - Is blighted, as defined in 65 ILCS 5/11-74.3-5.
- Voter approval is not required.
- Maximum rate of 1.00%.
- Tax can be imposed for no longer than 23 years. An ordinance must be filed to rescind the tax.
- Administrative Fee: 2%

LOCALLY IMPOSED TAXES

Business District Development and Redevelopment Tax (BDST)

- A certified ordinance imposing the tax and additional documentation must be sent to our office by:
 - April 1 to become effective July 1 of the same year, or
 - October 1 to become effective January 1 of the following year.
- Additional documentation needed:
 - A detailed map of the business district boundaries
 - A copy of the development or redevelopment plan for the business district, and
 - A detailed list of each address, registered with the USPS, located within the district's boundaries.

LOCALLY IMPOSED TAXES

Business District Development and Redevelopment Tax (BDST)

- Changes that can be made after a district becomes effective:
 - Add, change, or delete addresses
 - Boundaries for an existing business district can be changed
 - Increase or decrease the business district sales tax rate
- These changes must be reported to our office by the same ordinance deadlines.

LOCALLY IMPOSED TAXES

Municipal Motor Fuel Tax (MMFT)

- At the moment, only municipalities in Cook County can implement a municipal motor fuel tax.
- SB2978
- Maximum rate of \$0.03/gallon (\$0.01 increments)
- A certified ordinance imposing the tax must be sent to our office by:
 - April 1 to become effective July 1 of the same year, or
 - October 1 to become effective January 1 of the following year.
- Administrative Fee: 1.5%

LOCALLY IMPOSED TAXES

County Motor Fuel Tax (CMFT)

- Currently, only DuPage, Kane, Lake, McHenry, and Will Counties can implement CMFT.
- Lake County has not imposed CMFT.
- HB4695
- Maximum rate of \$0.08/gallon.
- Minimum rate of \$0.04/gallon.
- A certified ordinance imposing the tax must be sent to our office by:
 - April 1 to become effective July 1 of the same year, or
 - October 1 to become effective January 1 of the following year.
- Administrative Fee: 2%

LOCALLY IMPOSED TAXES

County Motor Fuel Tax (CMFT)

- Beginning June 2020, and continuing each subsequent year, P.A. 101-32 requires IDOR to determine an annual rate increase to take effect on July 1 of that year and continue through June 30 of the next year. IDOR must publish by June 1 of each year on its website at tax.illinois.gov the rate that will take effect on July 1 of that year. The rate must be rounded to the nearest one-tenth of one cent, and each new rate may not exceed the rate in effect on June 30 of the previous year plus one cent.
- The increase for July 1, 2020 is 1.93%, making the rates for all four counties \$0.041/gallon.

LOCALLY IMPOSED TAXES

Municipal Cannabis Tax (MCAN)

- Rates can be imposed in 0.25% increments with a maximum of 3.0%.
- A certified ordinance imposing the tax must be sent to our office by:
 - April 1 to become effective July 1 of the same year, or
 - October 1 to become effective January 1 of the following year.
- Administrative Fee: 1.5%

LOCALLY IMPOSED TAXES

County Cannabis Tax (CCAN)

- Rates can be imposed in 0.25% increments with a maximum of:
 - 3.0% in a municipality located within the county
 - 3.75% in an unincorporated part of the county
- A certified ordinance imposing the tax must be sent to our office by:
 - April 1 to become effective July 1 of the same year, or
 - October 1 to become effective January 1 of the following year.
- Administrative Fee: 1.5%

LOCALLY IMPOSED TAXES

Municipal or County Cannabis Tax (MCAN/CCAN)

- Initial rates take effect July 1, so the first allocations will occur in October.
- Since most jurisdictions only have one or two dispensaries, this distribution information will not be included on the reports on our website to protect the confidentiality of the businesses.
- Allocation data will be available through MyLocalTax to users with confidential access.
- While you will receive a separate distribution for MT, HMR/NHMR, etc., those distributions will be combined on our web reports with the other MT, HMR/NHMR, etc. totals.

SIMPLIFIED MUNICIPAL TELECOMMUNICATIONS TAX (MTT)

- A tax on the privilege of originating or receiving telecommunications and on retailers engaged in the business of transmitting such telecommunications.
- Voter approval is not required.
- State rate is 7%
- Tax is imposed in increments of 0.25%, with a maximum rate of 6.00%.
- A certified ordinance imposing the tax must be sent to our office by:
 - March 20 to become effective July 1 of the same year, or
 - September 20 to become effective January 1 of the following year.
- Administrative fee: 0.5%

SIMPLIFIED MUNICIPAL TELECOMMUNICATIONS TAX (MTT)

- The tax is imposed on LAN lines, cellular phones, pagers, stationary two-way radios, etc.
- Prepaid telephone cards are not included.
- Federal and State governments and state universities created by statute, are exempt from this tax.
- The municipality is responsible for providing each telecommunications provider with a list of addresses located within their taxing jurisdiction.
- Telecommunications providers are notified of tax rate increases or decreases through an informational bulletin posted on our website.
- Same four month collection cycle as sales tax.

TELECOM TAX DISTRIBUTIONS

(Fiscal Year July 1 through June 30)

(\$Millions)	Annual Amount
FY-08	288.6
FY-09	296.7
FY-11	276.2
FY-12	301.2
FY-13	271.3
FY-14	259.2
FY-15	227.4
FY-16	232.9
FY-17	212.8
FY-18	193.9
FY-19	189.8
FY-20	161.5

PERSONAL PROPERTY REPLACEMENT TAXES (PPRT)

- Revenues collected by IDOR to replace money lost by local governments when their powers to impose personal property taxes were taken away.
- Qualifications to receive a distribution:
 - Taxing district must have been in existence prior to July 1, 1979, and
 - Received revenue from personal property tax from the 1976 tax year for taxing districts in Cook County, or the 1977 tax year for taxing districts in the remaining 101 counties.

PERSONAL PROPERTY REPLACEMENT TAXES (PPRT)

- Personal Property Replacement Tax includes:
 - Replacement Tax imposed on the net Illinois income of C-Corporations, Partnerships, Trusts, & S-Corporations;
 - Invested Capital Tax;
 - Electricity Distribution Tax (based on Kilowatt hours); and
 - Telecommunications Infrastructure Maintenance Fees.
- The net collections of the taxes are deposited into the Personal Property Replacement Tax Fund and distributed to local taxing districts.
 - Net collections = total collections minus stipends, additional compensations, salary reimbursements, and deposits made into the refund fund.

PERSONAL PROPERTY REPLACEMENT TAXES (PPRT)

- Eight distributions are sent each year to qualifying taxing districts (January, March, April, May, July, August, October, and December).
- Distributions to taxing districts are based on each district's share of personal property tax collection from the appropriate 1976 or 1977 tax year.
- Proportionate Share of PPRT Distributed.
 - Certain taxing districts are required to pay a proportionate share of personal property replacement tax funds they receive to the municipality, library or cemetery if personal property taxes were previously levied in 1976 or 1977 and paid to those taxing districts.
- Fiscal estimates for PPRT are posted to our website around the first of August.

PPRT DISTRIBUTIONS

(Fiscal Year July 1 through June 30)

(\$Millions)	Annual Amount
FY-11	1,401.4
FY-12	1,236.0
FY-13	1,308.2
FY-14	1,371.0
FY-15	1,434.5
FY-16	1,320.5
FY-17	1,466.8
FY-18	1,227.4
FY-19	1,327.8
FY-20	1,453.4

COVID-19 PPRT IMPACT

- FY20 PPRT actual distributions were about 5% below the estimated amount.
- FY21 estimate in late July/early August.
- Expect to be lower than last year's estimate.

POPULATION BASED DISBURSEMENTS

- Distributions of Income Tax, Use Tax, and Cannabis Excise Tax that each municipality or county receives are based on its population in proportion to the total state population.
- Population figures are based on the latest census conducted by the United States Bureau of the Census and certified by the Office of the Secretary of State.
- Use Tax and Cannabis Excise Tax follow the same four month cycle as Sales Tax and Telecom Tax. Unlike the other tax types, Income Tax is allocated the month after it is paid.

INCOME TAX (INC)

- Income Tax is imposed on:
 - Individuals, Trusts and Estates – 4.95% of net income
 - Corporations – 7.00% of net income
- Beginning August 1, 2017, local governments receive
 - 6.06% of net collections of all income tax received from individuals, trusts, and estates, and
 - 6.85% of net collections of all income tax received from corporations. (35 ILCS 5/901 b)
 - Net collections = total collections less deposits into the refund fund

INCOME TAX DISTRIBUTIONS

(Fiscal Year July 1 through June 30)

(\$Millions)	Annual Amount	Per Capita
FY-11	1,012.9	78.0
FY-12	1,095.3	85.4
FY-13	1,203.6	93.8
FY-14	1,223.2	95.3
FY-15	1,316.3	102.6
FY-16	1,301.1	101.4
FY-17	1,216.3	94.7
FY-18	1,162.9	90.4
FY-19	1,331.0	103.4
FY-20	1,266.5	98.4

COVID-19 INCOME TAX IMPACT

- The 2019 individual income tax deadline was extended from April 15th to July 15th.
- Typically, May is a larger distribution because so many pay closer to the deadline. Now, you should see a larger distribution in August.
- The rise in unemployment will impact the taxes reported by individuals on their 2020 IL-1040, which isn't due until April 15, 2021. This means that we could see a decrease in income tax collections on these returns, leading to reduced allocations to local governments.

LOCAL USE TAX (ULO)

- Imposed on the privilege of using, in Illinois, any item of tangible personal property purchased anywhere at retail.
 - Reported by individuals (ST-44) and retailers (ST-1).
 - Examples of Use Tax liability:
 - Purchase of tangible personal property at retail from out-of-state, unregistered retailers for use in Illinois without paying tax to the retailer.
 - Illinois businesses withdraw tangible personal property from their sales inventories for their own use.
 - Purchase of titled or registered items from out of state, unregistered dealers or retailers.

LOCAL USE TAX (ULO)

- State rates for use tax:
 - 6.25% General merchandise
 - 1.00% Qualifying food, drugs & medical appliances
 - 6.25%* Titled or registered items

*Use tax from items that are titled or registered with a State agency are distributed based on the registered address on the return and is included with the distribution of the 1.00% local government's share of state sales tax.
- Use Tax monies, with the exception of titled or registered items, are deposited into the State & Local Sales Tax Reform Fund for distribution to local governments.

LOCAL USE TAX (ULO)

- The State and Local Sales Tax Reform Fund is distributed monthly in the method listed below:
 - 20 percent to Chicago
 - 10 percent to the Regional Transportation Authority (RTA)
 - 0.6 percent to the Metro-East Transit District (MED)
 - \$3.15 million to the Build Illinois Fund
 - Remaining balance to municipal and county governments (except Chicago) based on their population.

USE TAX DISTRIBUTIONS

(Fiscal Year July 1 through June 30)

(\$Millions)	Annual Amount	Per Capita
FY-11	143.8	14.2
FY-12	147.9	14.6
FY-13	160.7	15.9
FY-14	177.5	17.5
FY-15	204.8	20.2
FY-16	234.1	23.1
FY-17	250.2	24.7
FY-18	267.5	26.3
FY-19	309.4	30.4
FY-20	356.2	35.0

CANNABIS USE TAX (CUT)

- There is a state excise tax on all adult-use cannabis sales, a portion of which is allocated to local governments based on population.
- These funds must be used to fund crime prevention programs, training, and interdiction efforts, including detection, enforcement, and prevention efforts, relating to the illegal cannabis market and driving under the influence of cannabis.

CANNABIS USE TAX DISTRIBUTIONS

(Fiscal Year July 1 through June 30)

CANNABIS			
DISBURSEMENT	DISBURSEMENT		PER
MONTH	AMOUNT	POPULATION	CAPITA
JULY2019	0.00	12,875,967	0.00
AUGUST2019	0.00	12,875,967	0.00
SEPTEMBER2019	0.00	12,875,967	0.00
OCTOBER2019	0.00	12,875,967	0.00
NOVEMBER2019	0.00	12,875,967	0.00
DECEMBER2019	0.00	12,875,967	0.00
JANUARY2020	0.00	12,875,967	0.00
FEBRUARY2020	0.00	12,875,967	0.00
MARCH2020	904,537.48	12,875,967	0.07
APRIL2020	1,202,463.18	12,875,967	0.09
MAY2020	606,457.13	12,875,967	0.05
JUNE2020	469,900.00	12,875,967	0.04
TOTAL	3,183,357.79		0.25

AVIATION FUEL TAX

- You must certify an airport purpose to IDOT. Contact is:

Richard A. Borus, P.E.

Airport Program Engineer

Airport Programming, Planning, & Environment Section

I.D.O.T. Div. of Aeronautics (217) 785-0056

- You will not receive the 1% MT/CT or 0.25% CST on aviation fuel tax sales.
- Currently, all locally imposed taxes will be included on aviation fuel sales.
- Beginning 1/1/21, only HMR, NHMR, MED, RTA, and CHMR will be included on aviation fuel sales.

DISTRIBUTION OF TAXES

- Local governments receive a separate distribution for each tax type.
- IDOR suggests that all recipients sign up for direct deposit.
- Track your distributions on the Comptroller's website.
 - The Vendor TIN needed for their website can be found on our website under "Monthly Disbursements."

CONFIDENTIALITY OF TAXES

- By law, all information received by IDOR from individual sales tax returns, telecom tax returns, or from any investigation is confidential and cannot be released.
- There are two ways information can be released:
 - Local government enters into a reciprocal agreement for exchange of information with IDOR, or
 - Written authorization is received from the taxpayer or provider.

CONFIDENTIALITY OF TAXES

- Local governments that previously submitted an Authorization to Release Sales Tax Information to Local Governments (PTAX 1002-21) pursuant to a rebate sharing agreement with another entity (developer, taxpayer or other local government) that requires an accounting of the amount the municipality or county received from a certain taxpayer can be shared with that entity IF
 - the taxpayer completes a form or statement giving the local government authorization to release their sales tax information to the entity.

The confidentiality of a taxpayer's filing must be protected.

CONFIDENTIALITY OF TAXES

- Top Filer Report
 - Report gives an aggregate total of the 1.00% local government's share of the state's sales tax the local government received from their top sales tax contributors within a specified time period. The names and Illinois Account ID's are listed in numeric order.
- FOIA Requests
 - Confidential information received from IDOR cannot be requested by the general public under the Freedom of Information Act. Refer to statute, 5 ILCS 140/7(1)(a).

INFORMATION EXCHANGE AGREEMENTS

- Effective January 1, 2015, all municipalities are eligible to enter into a reciprocal agreement for exchange of confidential sales tax information with IDOR.
- Effective June 30, 2016, all counties are eligible to enter into a reciprocal agreement for exchange of confidential sales tax information with IDOR.
- IDOR developed a template for the certification/re-certification letter, which is available on our website.
- We require original signatures on the Attachment A and Attachment B. An Attachment B will need to be completed for each person on the agreement.

INFORMATION EXCHANGE AGREEMENTS

- If applying for a confidential account in MyLocalTax, the applicant must be included on the information exchange agreement.
- Also, for the request to be approved, there must be agreements on file for both sales tax and telecom (if imposed).
- Users not listed on the agreement can register for a basic account in MyLocalTax.
- Users will automatically receive a message through MyLocalTax to alert them that it is time to recertify the agreement.
- Confidential accounts whose recertifications are not completed within an acceptable amount of time will have their accounts locked until recertification is completed.

REBATE SHARING AGREEMENTS

- An agreement made by a local government to share or rebate any portion of retailers' occupation taxes (including, but not limited to, the 1.00% local share of the state retailer's occupation taxes, home rule, non-home rule, or business district taxes) with retailers, developers, consultants, or other local governments or taxing jurisdictions.
 - An exception to the requirement is where sales tax sharing is stipulated in the covenants of a bond issue. Bond agreements that use sales taxes are typically for the repayment of bonds, not "sharing" of the sales taxes.
- Agreements are reported through the MyLocalTax portal found on IDOR's website. Municipalities located in more than one county must use the location code and PIN from the county in which the rebated sales taxes will be generated.
- Agreements reported on the website are made available to the public.

STEPS LOCAL GOVERNMENTS CAN TAKE TO ENSURE CORRECT DISTRIBUTIONS

- Review the annual taxpayer location address list.
- Report discrepancies as soon as you realize a taxpayer is not reporting sales tax for your jurisdiction.
- Complete the tax location verification process monthly.
- Promptly report annexations to our office.

ANNUAL TAXPAYER LOCATION ADDRESS LIST

Zone 1 August

Zone 2 September

Zone 3 October

Zone 4 November

Zone 5 December

Zone 6 January

Zone 7 February

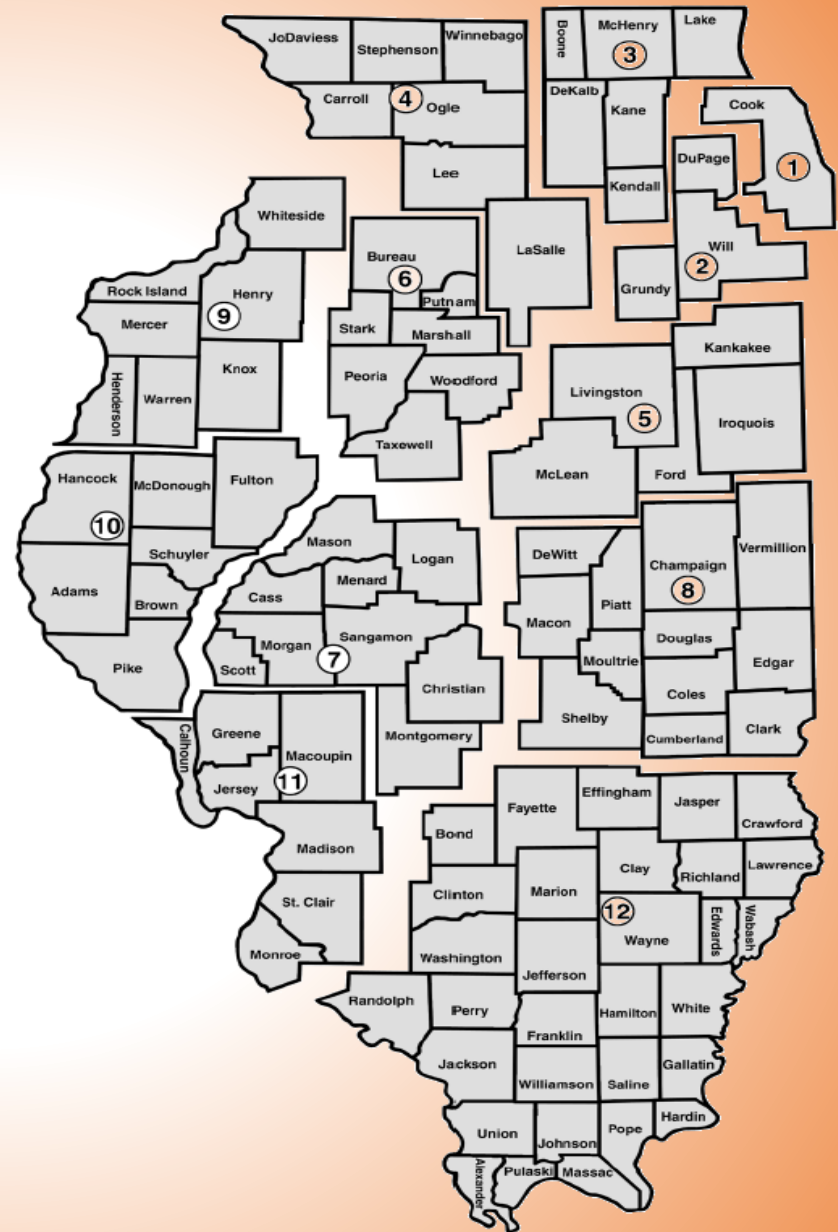
Zone 8 March

Zone 9 April

Zone 10 May

Zone 11 June

Zone 12 July



ANNUAL TAXPAYER LISTING

- This report is now provided via MyLocalTax using the schedule on the previous slide.
- If you do not have an account, you must contact our office to request the report.
- Taxpayer listings can be ordered at any time through MyLocalTax, so you don't have to wait for your annual listing.

REPORT DISCREPANCIES IMMEDIATELY

- Per statute, IDOR can only re-allocate funds for six distributions from the date we are notified of the discrepancy.
- For example, if a business is registered to the wrong jurisdiction for three years before you notify us, we can only take back six months of distributions from the incorrect jurisdiction to give to you.
- It may take time to research this discrepancy, and other departments within IDOR may have to get involved, so this may not be a quick process. However, we will always use the notification date to make the adjustments.

TAX LOCATION VERIFICATION

- Monthly letter is generated on the 15th of each month and either sent via MyLocalTax, or mailed.
- Report is broken down into three categories:
 - New/Reinstated Businesses
 - Discontinued Businesses
 - Verified by LTAD
- It is very important that you complete this each month so discrepancies can be caught before incorrect allocations are made.
- In MyLocalTax, the period you select is one month less than the month on your letter.
 - Example: You receive a letter dated 06/15/2020, select May 2020 in MyLocalTax to complete the verification process.

ANNEXATIONS OR DISCONNECTIONS

- Take effect the date the ordinance is passed
 - If possible, vote on the ordinance the first of the month to make tax filing easier for any affected businesses.
- Prompt notification ensures the sales tax paid by the newly annexed businesses will properly allocate to your local government.
- It is the municipality's responsibility to notify affected businesses of the effective date of the annexation and the correct tax rate.
 - If possible, give them advanced notice so they can adjust their cash registers and computer software.

ANNEXATIONS OR DISCONNECTIONS

- Documentation sent to IDOR should include:
 - A certified copy of the annexation ordinance
 - A copy of the plat of annexation
 - A statement verifying that a copy of the annexation ordinance was filed with your county government
 - The effective date of the annexation, and
 - The name and address of any retail business located in the area
 - The name of the business owner
 - The Illinois Account ID, or
 - In the case of a disconnection, the certified ordinance, final judgement, or resolution of disconnection, and a plat of the disconnected territory.

ANNEXATIONS OR DISCONNECTIONS

- County Clerks must submit form PTAX 270, Abstract of Changes in Taxing District Boundaries within 30 days of annexation.
- A municipality can request a special census conducted by the Bureau of the Census, which can increase the amount of residents within the municipality when residential areas are annexed into the corporate limits.

LOCAL GOVERNMENT RESOURCES

- LTAD Website
 - Allocation amounts
 - Forms and agreements
 - Information about each tax type
 - Training materials
- MyLocalTax
 - Send messages
 - Request allocation remittance reports
 - Order taxpayer listings
 - Complete tax location verification
 - Rebate sharing agreements
 - View correspondence

CONTACTS

Office of the Comptroller

(217) 557-0930

www.illinoiscomptroller.gov

Illinois Gaming Board

(217) 524-0226

www.igb.Illinois.gov

Office of the Treasurer

The Illinois Funds Program

(217) 524-4910

www.treasurer.il.gov

CONTACTS

For information regarding Property Tax issues, contact the following telephone numbers:

(217) 785-1388	Appraisals (ICAAS)
(217) 782-3016	County Official Salary Reimbursements & Stipends
(217) 785-6636	Education & Assistance
(217) 782-3627	Equalization & Sales Ratios
(844) 445-1114	My DEC
(217) 785-0411	Railroads & Pollution Control
(217) 782-3627	Real Estate Transfer Declarations
(217) 782-3016	Statistics
(217) 785-2252	Sales Tax & Property Tax Exemptions
(217) 524-6320	Senior Citizens Real Estate Tax Deferral Program

THANK YOU!

Illinois Department of Revenue
Local Tax Allocation Division
101 W. Jefferson St. 3-500
Springfield, IL 62702

Telephone: (217) 785-6518

Fax: (217) 785-6527

Email: REV.LocalTax@Illinois.gov

Website:

<https://www2.illinois.gov/rev/localgovernments/LocalTaxAllocation/Pages/default.aspx>

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